UNITED STATES BANKRUPTCY COURT FOR THE WESTERN DISTRICT OF MICHIGAN SOUTHERN DIVISION

In re:) Chapter 11
QUALITY STORES, INC., et al.,	Case No. GG-01-10662 (Jointly Administered)
Debtors.) Hon. James D. Gregg
FEDERAL INSURANCE COMPANY,))
Plaintiff,) Adversary Proceeding No.: 05-80071
vs.))
DAVID C. BLISS, et al.,	
Defendants.)))

STIPULATION OF DISMISSAL WITH PREJUDICE

Pursuant to Fed. R. Civ. P. 41(a)(1)(ii), as applied by Fed. R. Bankr. P. 7041, Plaintiff
Federal Insurance Company and Defendants David C. Bliss, Garry H. Brown, John W. Childs,
Richard C. Dresdale, Alan L. Fansler, Jack P. Feichter, Habib Y. Gorgi, John L. Hilt, Jerry D.
Horn, James F. Hurley, Peter Lamm, G. Dean Longnecker, David A. Maddox, Gregory A. Mann,
Wayne E. McCollum, James T. McKitrick, Thomas J. Reinebach, Craig L. Scarborough, Steven
G. Segal, Donald O. Shilstra, Jeffrey Stanton, Denny L. Starr, Adam L. Suttin, Jeffrey Swartz,
William A. Waack and William E. Watts stipulate to the dismissal, with prejudice, of all claims
in this action, with each party bearing its own attorneys' fees and costs. A Proposed Order is
attached.

Dated: October 9, 2006

Respectfully submitted,

For Plaintiffs:

s/ Edith A. Landman

Edith A. Landman (P29409)
PLUNKETT & COONEY, P.C.
Bridgewater Place
333 Bridge N.W.

Suite 530

Grand Rapids, Michigan 49504 (616) 752-4600 (phone)

(616) 752-4607 (facsimile)

Of Counsel:

Merril Hirsh, admitted pro hac vice Gabriela Richeimer, admitted pro hac vice ROSS, DIXON & BELL, LLP 2001 K Street, N.W. Washington, D.C. 20006-1040 (202) 662-2000 (phone) (202) 662-2190 (facsimile)

Counsel for Plaintiff Federal Insurance Company

For Defendants:

James Frakie

FOSTER SWIFT COLLINS & SMITH

1700 East Beltine

Suite 200

Grand Rapids, MI 49525

(616) 726-2200

Randall W. Bodner

Gregory O. Kaden

ROPES & GRAY

One International Place

Boston, MA 02110-2624

(617) 951-7000

Counsel for Defendants Richard C. Dresdale

and Peter Lamm

Daniel F. Gosch Erin Gravelyn

DICKINSON WRIGHT PLLC

200-Ottawa-Avenue, N.W., Suite-900-

Grand Rapids, MI 49525

(616) 458-1300

Eugene J. Frett

Greg Shinall

Celiza F. Braganaça

SPERLING & SLATER, P.C.

55 West Monroe Street

Suite 3200

Chicago, IL 60603

(312) 641-3200

Counsel for Defendants David C. Bliss, Garry H. Brown, John W. Childs, Alan L. Fansler, Jack P. Feichter, Habib Y. Gorgi, John L. Hilt, Jerry D. Horn, James F. Hurley, G. Dean Longnecker, David A. Maddox, Gregory A. Mann, Wayne E. McCollum, James T. McKitrick, Craig L. Scarborough, Steven G. Segal, Donald O. Shilstra, Jeffrey Stanton, Denny L. Starr, Adam L. Suttin, Jeffrey Swartz, William A. Waack and William E. Watts

Thomas J. Reinebach

26 Wade Drive

Summit, NJ 07901

(732) 734-1012